



August 17, 2005

Renata Sos, President
California Board of Accountancy
c/o Evergreen Street, Suite 250
Sacramento, CA 95815

RE: Conformity Between California and PCAOB Audit Documentation Retention Requirements

Dear Ms. Sos:

On behalf of the California Society of CPAs (CalCPA), we are writing to request that the California Board of Accountancy (CBA) consider certain amendments to Section 68 of its Regulations regarding audit documentation to achieve appropriate conformity with the national standards for audit documentation adopted by the Public Company Accounting Oversight Board (PCAOB).

Background

In the wake of the collapse of Enron in the fall of 2001, the CBA and the California legislature moved swiftly to identify and respond to issues regarding auditing standards and practices. The adequacy of audit documentation and the period of its retention was one of the issues that received significant attention. The California legislature enacted Sections 5097 and 5098 of the Business and Professions Code which were signed into law on August 23, 2002. The CBA adopted Section 68 of its regulations to implement that legislation.

The Congress and federal regulators also focused attention on audit documentation:

- The Sarbanes-Oxley Act of 2002 directed Public Company Accounting Oversight Board to establish standards for audit documentation.
- The PCAOB adopted *Auditing Standard No. 3 – Audit Documentation* dated June 9, 2004.

The importance which the PCAOB placed on the development of appropriate audit documentation standards is indicated in paragraph A2 of *Auditing Standard No. 3*:

Section 103(a)(2)(A)(i) of the Sarbanes-Oxley Act of 2002 (the "Act") directs the Board to establish auditing standards that require registered public accounting firms to prepare and maintain, for at least seven years, audit documentation "in sufficient detail to support the conclusions reached" in the auditor's report. Accordingly, the Board has made audit documentation a priority.

As the Congressionally mandated standard setter for the audits of public companies, the PCAOB undertook an open, thorough and well documented process of developing its standard for audit documentation¹. It is clear from the text of some of the provisions of *Auditing Standard No. 3* and from the participation of CBA member Charles Drott in the public roundtable discussion of audit documentation convened by the PCAOB on September 29, 2003 that the PCAOB gave serious consideration to laws and regulations that California had already developed regarding audit documentation.

¹ Please see Attachment 3 for the PCAOB's description of its development of *Auditing Standard No. 3*.

Analysis

The provisions of California Business and Professions Code Sections 5097 and 5098 are essentially the same as comparable requirements in PCAOB *Auditing Standard No. 3*. The significant differences are:

- California law and the PCAOB standard agree that audit documentation should be sufficient to be understandable to an experienced reviewer with no previous connection to the audit engagement. The PCAOB goes further in requiring that the experienced reviewer "has studied the company's industry as well as the accounting and auditing issues relevant to the industry."
- The PCAOB did not adopt California's "rebuttable presumption," but the standard does make clear the auditor's obligation to document the procedures performed and notes: "Oral explanation alone does not constitute persuasive other evidence, but it may be used to clarify other written evidence."
- The PCAOB standard does not require the auditor to maintain a written document retention and destruction policy.

CBA Regulations Section 68 includes a number of requirements that are also essentially the same as comparable requirements in PCAOB *Auditing Standard No. 3*. Except as noted below, the primary differences are very specific requirements which are appropriate for the PCAOB's professional standard, but are too detailed for inclusion in CBA regulations².

The significant differences between CBA Regulations Section 68 and PCAOB *Auditing Standard No. 3* are:

Section 68.3(a) Retention Period for Audit Documentation

The California retention period is measured from the report date, while PCAOB *Auditing Standard No. 3*, paragraph 14 measures the retention period from the date of issuance of the audit report.

Section 68.4 Changes in Audit Documentation After Issuance of the Report

The CBA regulations do not allow any documents to be deleted from the audit documentation after the issuance of the audit report. PCAOB *Auditing Standard No. 3* does not prohibit discarding unnecessary audit documentation after the issuance of the audit report. It does prohibit such deletions after the document completion date which is 45 days after the report issuance date. Both the CBA regulations and PCAOB *Auditing Standard No. 3* require that audit documentation regarding significant matters be retained whether or not the documentation is inconsistent with the auditor's final conclusions.

Section 68.4(c) Audit Documentation Completion Period

CBA regulations provide a 60-day period after the date of issuance of the audit report during which "documents may be added to the file for the assemblage and documentation of work previously performed." PCAOB *Auditing Standard No. 3* requires that "a complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the report release date."

Recommendation

CalCPA does not intend to pursue any amendments to the California statutory provisions regarding audit documentation at this time.

While recognizing that there may be instances where California regulations appropriately differ from national requirements, CalCPA favors national conformity in all possible cases. While such conformity certainly contributes to the efficiency of work performed by our members, it is also in the public interest. Conformity with national standards substantially enhances the ability of CPAs

² e.g. "If an audit sample is selected from a population of documents, the documentation should include identifying characteristics (for example, the specific check numbers of the items included in the sample)." [From paragraph 10 of *Auditing Standard No. 3*]

to comply with the requirements and makes cooperation in California and federal enforcement efforts more effective and efficient.

We believe that the PCAOB has developed its audit documentation standards utilizing highly experienced staff and according due process consideration to all interested parties. We therefore urge the CBA to amend Section 68 of its regulations to eliminate the three areas of difference with the PCAOB standard noted above.

Our recommendations for the specific amendments to accomplish conformity are presented in Attachment 1 and further explained in Attachment 2.

We thank you and the members of the CBA for your consideration of this request and look forward to working with you on implementation.

Best regards,



BRUCE C. ALLEN, Director
Government Relations

cc: Carol Sigmann, Executive Officer
Members of the California Board of Accountancy
Loretta Doon, COO, CalCPA
CalCPA Government Relations Committee members

Attachment 1

Recommended Amendments to Board Regulations Sections 68.3 and 68.4

Section 68.3. Retention Period for Audit Documentation.

(a) The retention period mandated by Business and Professions Code Section 5097 shall be measured from the ~~report date of issuance of the report~~.

(b) If audit documentation is required to be kept for longer than seven years because of a pending Board investigation or disciplinary action, audit documentation shall not be destroyed until the licensee has been notified in writing by the Board of the closure of a Board investigation or disciplinary proceeding.

(c) Any documents required to be maintained by Business and Professions Code Section 5097 or these regulations shall be maintained in accessible form.

(d) Audit documentation shall be retained whether or not the documentation supports the auditor's final conclusions. All audit documentation regarding any significant matter related to the audit shall be retained whether or not the documentation contains information or data inconsistent with the auditor's final conclusions. Significance of a matter shall be determined based on an objective analysis of the facts and circumstances. Audit documentation to be retained shall also include all documentation of consultations on, or resolutions of, any differences of opinion regarding the exercise of professional judgment.

Section 68.4. Changes in Audit Documentation After Issuance of the Report.

(a) ~~Changes in audit documentation include any addition, removal, deletion, substitution, or editing of audit documentation, including, but not limited to, physical or electronic additions to any audit documentation file or preexisting audit documentation, occurring after the date of issuance of the audit report which is supported in whole or in part by the audit documentation. Prior to the date of issuance of the report, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report. A complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the report release date (documentation completion date). If a report is not issued in connection with an engagement, then the documentation completion date should not be more than 45 days from the date that fieldwork was substantially completed. If the auditor was unable to complete the engagement, then the documentation completion date should not be more than 45 days from the date the engagement ceased.~~

(b) Circumstances may require additions to audit documentation after the date of issuance of the report. Audit documentation must not be deleted or discarded after the documentation completion date, however, information may be added. Except as provided in subsection (c), in addition to any other documentation required by professional standards, any changes in audit documentation added must indicate the date the information was added, the name of the person who prepared the additional documentation, shall provide the identity of the person(s) making the change, and the identity of any person(s) approving the change addition, the date of the change, and the reason for adding it ~~the change if the reason is other than the assembling of pre-existing documents. The documentation which is changed added shall contain sufficient detail to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, reason for, and extent of the change addition.~~

(c) ~~During a 60 day period after the date of issuance of the audit report, documents may be added to the file for the assemblage and documentation of work previously performed. Nothing in this subsection authorizes the deferral of audit procedures required to be performed prior to the date of issuance of the report.~~

Attachment 2
Discussion of Recommended Amendments to Board Regulations 68.3 and 68.4

Section 68.3

The California regulations currently measure the seven-year audit documentation retention period from the "report date." This is the date on which the audit fieldwork has been completed and is indicated in the auditor's opinion.

PCAOB Auditing Standard No. 3 measures the seven-year retention period from the "report release date." This is the date on which the auditor delivers his or her signed audit opinion to the client or otherwise gives the client permission to use the auditor's report. The report release date will always be later (thus, the retention period will be longer) than the report date.

The term "date of issuance of the audit report" is equivalent to the report release date and is used in the recommended amendment to maintain consistency with other sections of the California regulations that use that term to refer to the report release date.

See Attachment 2 continued (attached).

Attachment 2 (continued)

Section 68.4	Existing Sec. 68.4	PCAOB Auditing Standard No. 3	Proposed Sec 68.4	Comments
(a) Changes in audit documentation include any addition, removal, deletion, substitution, or editing of audit documentation, including, but not limited to, physical or electronic additions to any audit documentation file or preexisting audit documentation, occurring after the date of issuance of the audit report which is supported in whole or in part by the audit documentation.	(c) During a 60-day period after the date of issuance of the audit report, documents may be added to the file for the assemblage and documentation of work previously performed. Nothing in this subsection authorizes the deferral of audit procedures required to be performed prior to the date of issuance of the report.	15. Prior to the report release date, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report. A complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the date of issuance of the report (documentation completion date). If a report is not issued in connection with an engagement, then the documentation completion date should not be more than 45 days from the date that fieldwork was substantially completed. If the auditor was unable to complete the engagement, then	(a) Prior to the report release date, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report. A complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the date of issuance of the report (documentation completion date). If a report is not issued in connection with an engagement, then the documentation completion date should not be more than 45 days from the date that fieldwork was substantially completed. If the auditor was unable to complete the engagement, then	There are 2 significant changes in the proposed Sec. 68.4(a) versus the existing Sec. 68.4(c) to conform to the PCAOB standard: <ul style="list-style-type: none">• The period during which documentation can be completed is reduced from 60 days to 45 days.• There is no prohibition on deleting unnecessary documentation during the 45 day completion period. (Note that the requirement of existing Sec. 68.3(d) to retain documentation that is inconsistent with the final conclusion for significant matters is not changed by these proposed amendments.)

	<p>the documentation completion date should not be more than 45 days from the date the engagement ceased.</p>	<p>the documentation completion date should not be more than 45 days from the date the engagement ceased.</p> <p>Requirements for determination of the document completion date for circumstances in which a report is not issued or an audit is not completed are provided.</p>	<p>The requirement to complete all necessary audit procedures before the issuance of the report is retained.</p> <p>Requirements for determination of the document completion date for circumstances in which a report is not issued or an audit is not completed are provided.</p> <p>The following 3 requirements that are in the existing California regulations but not in the PCAOB standard have been retained in the proposed amendments:</p> <ul style="list-style-type: none"> • “In addition to any other documentation required by professional standards” • Identity of any persons approving the addition of material after the document completion date • Sufficient detail to inform an experienced reviewer with no previous connection with the audit engagement
	<p>(b) Except as provided in subsection (c), in addition to any other documentation required by professional standards, any changes in audit documentation shall provide the identity of the person(s) making the change, and identity of any person(s), approving the change, the date of the change, and the reason for the change if the reason is other than the assembling of pre-existing documents. The documentation which is changed shall contain sufficient detail to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, reason for, and extent of the change.</p>	<p>(b) Circumstances may require additions to audit documentation after the date of issuance of the report. Audit documentation must not be deleted or discarded after the document completion date, however information may be added. In addition to any other documentation required by professional standards, any documentation added must indicate the date the information was added, the name of the person who prepared the additional documentation, and the reason for adding it.</p>	<p>(b) Circumstances may require additions to audit documentation after the date of issuance of the report. Audit documentation must not be deleted or discarded after the document completion date, however information may be added. In addition to any other documentation required by professional standards, any documentation added must indicate the date the information was added, the name of the person who prepared the additional documentation, the identity of any person(s) approving the addition, and the reason for adding it. The documentation which is added shall contain sufficient detail to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, reason for, and extent of the addition.</p>

Attachment 3

PCAOB's Description of the Development Process for Auditing Standard No.

3

PCAOB Release No. 2004-006, June 9, 2004, pages 1-3

The Board commenced a standards-development project on audit documentation by convening a public roundtable discussion on September 29, 2003, to discuss issues and hear views on audit documentation. Before that roundtable discussion, the Board prepared and released a briefing paper on audit documentation, which posed several questions to help identify the objectives – and the appropriate scope and form – of audit documentation. In addition, the Board asked participants to address specific practice issues relating to, among other things, changes in audit documentation after an audit report has been released; the essential elements and the appropriate amount of detail of audit documentation; the effect on audit documentation of a principal auditor's decision to use the work of other auditors; and retention of audit documentation.

Taking into consideration comments from participants in this roundtable discussion, advice from the Board's staff, and other input, the Board determined that the existing interim auditing standard on audit documentation was not sufficient in providing direction to ensure that auditors appropriately document both the work they perform and the conclusions they reach in connection with audits and other engagements. On November 21, 2003, the Board issued a proposed auditing standard entitled *Audit Documentation*, as well as a related amendment to an interim auditing standard (paragraph .12 of AU sec. 543, *Part of Audit Performed by Other Independent Auditors*).

The Board received 38 comment letters from a variety of interested parties, including auditors, regulators, professional associations, and government agencies. Those comments led to some changes in the requirements of the standard.

The Board's standard on audit documentation will be one of the fundamental building blocks on which both the integrity of audits and the Board's oversight will rest. The integrity of an audit depends, in large part, on the existence of a complete and understandable record of the work that the auditor performed, the evidence gathered, and the conclusions reached. Meaningful review by managers and partners, or by the Board in the context of its inspections, would be difficult, if not impossible, without adequate documentation. Clear and comprehensive audit documentation is essential for auditors to enhance the quality of the audit and for the Board to fulfill its mandate to inspect registered public accounting firms "to assess the degree of compliance" of those firms with applicable standards and laws.

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Summary of Audit Documentation Requirements

Existing Sec. 5097 – Audit Documentation Requirements	CalCPA's Proposal Standard No. 3	AICPA Statement on Auditing Standards No. 103	PCAOB Auditing Standard No. 3
<p>(a) Audit documentation shall be a licensee's records of the procedures applied, the tests performed, the information obtained, and the pertinent conclusions reached in an audit engagement. Audit documentation shall include, but is not limited to, programs, analyses, memoranda, letters of confirmation and representation, copies or abstracts of company documents, and schedules or commentaries prepared or obtained by the licensee.</p> <p>(b) Audit documentation shall contain sufficient documentation to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent, and results of the auditing or other procedures performed, evidence obtained, and conclusions reached, and to determine the identity of the persons who performed and reviewed the work.</p> <p>(c) Failure of the audit documentation to document the procedures applied, tests</p>	<p>No proposed changes to Business and Professions Code Section 5097.</p>	<p>The auditor must prepare audit documentation in connection with each engagement in sufficient detail to provide a clear understanding of the work performed, the audit evidence obtained and its source, and the conclusions reached.</p> <p>Audit documentation, also known as working papers or workpapers, maybe recorded on paper or on electronic or other media.</p>	<p>The auditor must document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions. Audit documentation must clearly demonstrate that the work was in fact performed. The audit documentation should be appropriately organized to provide a clear link to the significant findings and issues. Audit documentation includes memoranda, confirmations, correspondence, schedules, audit programs and letters of representation.</p> <p>Audit documentation includes audit programs, analyses, issues memorandums, summaries of significant findings and issues, letters of confirmation and representation, checklist, abstracts of important documents, correspondence (including e-mail) concerning significant findings and issues, discussions of significant findings or issues with management (including when and with whom the discussions took place) and schedules of the work the auditor performed.</p> <p>Audit documentation of procedures performed, including</p>

Summary of Audit Documentation Requirements

Existing Sec. 5097 – Audit Documentation Requirements	CalCPA's Proposal	AICPA Statement on Auditing Standards No. 103	PCAOB Auditing Standard No. 3
<p>performed, evidence obtained, and relevant conclusions reached in an engagement shall raise a presumption that the procedures were not applied, tests were not performed, information was not obtained, and relevant conclusions were not reached. This presumption shall be a rebuttable presumption affecting the burden of proof relative to those portions of the audit that are not documented as required in subdivision (b). The burden may be met by a preponderance of the evidence.</p>	<p>tests of operating effectiveness of controls and substantive tests of details that involve inspection of documents or confirmation should include the identifying characteristics of the specific items tested.</p>	<p>The auditor must document significant findings or issues, actions taken to address them (including additional evidence obtained), and the basis for the conclusions reached in connection with each engagement.</p> <p>The auditor should document significant findings or issues, actions taken to address them (including additional evidence obtained), and the basis for the final conclusions reached.</p>	<p>The auditor must document significant findings or issues, actions taken to address them (including additional evidence obtained), and the basis for the conclusions reached.</p> <p>If the auditor departs from a presumptively mandatory requirement, the auditor must document his or her justification for the departure and how the alternative procedures performed in the circumstances were sufficient to achieve the objectives of the presumptively mandatory requirement.</p>

Note:

- a) Substantive content of SAS No. 103 & PCAOB A.S. No. 3 is very similar. B&P 5097 contains parallel content in relation to its description of audit documentation but has material added content in areas a) knowledgeable reviewer being able to understand and
- b) the rebuttable presumption (if work is not documented, it will be presumed to have not been done.)

Summary of Audit Documentation Requirements

Existing Sec. 68.2 – Identification of Audit Documentation	CalCPA's Proposal	AICPA Statement on Auditing Standards No. 103	PCAOB Auditing Standard No. 3
<p>(b) ... audit documentation shall provide the date the document or working paper was completed by the preparer(s) and any reviewer(s), and shall include the identity of the preparer(s) and any reviewer(s).</p> <p>(c) Audit documentation shall include both the report date¹ and the date of issuance of the report².</p>	<p>No proposed changes to Section 68.2.</p>	<p>In documenting the nature, timing, and extent of audit procedures performed the auditor should record:</p> <ul style="list-style-type: none"> (a) Who performed the audit work and the date such work was completed; and (b) Who reviewed specific audit documentation and the date of such review. 	<p>Audit documentation must contain information on who performed the work and the date such work was completed as well as the person who reviewed the work and the date of such review.</p>

Note: Sec. 68.2, A.S. No. 103, & PCAOB A.S. No. 3 are all similar in content requiring identity of preparer(s), reviewer(s) and date work completed. Sec. 68.2 add specific requirement that report date and report date of issuance be documented.

¹ The auditor's report should not be dated earlier than the date on which the auditor has obtained sufficient appropriate audit evidence to support the opinion. (In majority of audits, the report date is the date of completion of the audit fieldwork.)

² Date of issuance (report release date) will be the date the auditor delivers the audit report to the audit client.

Summary of Audit Documentation Requirements

Existing Sec. 68.4 – Changes in Audit Documentation After Issuance of the Report	CaICPA's Proposal	AICPA Statement on Auditing Standards No. 103	PCAOB Auditing Standard No. 3
<p>(a) Changes in audit documentation include any addition, removal, deletion, substitution, or editing of audit documentation, including but not limited to, physical or electronic additions to any audit documentation, occurring after the date of issuance of the audit report which is supported in whole or in part by the audit documentation. Prior to the date of issuance of the report, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report. A complete and final set of audit documentation should be assembled for retention as of a date no more than 45 days after the report release date (documentation completion date).</p> <p>(b) Except as provided in subsection (c), in addition to any other documentation required by professional standards, any changes in audit documentation shall provide the identity of the person(s) making the change, and identity of any person(s) approving the change, the date of the change, and the reason for the change if the reason is other than assembling of pre-existing documents. The documentation which is changed shall contain sufficient detail to enable a reviewer with relevant knowledge and experience, having no previous connection with the engagement, to understand the</p>	<p>(a) Changes in audit documentation include any addition, removal, deletion, substitution, or editing of audit documentation, including but not limited to, physical or electronic additions to any audit documentation, occurring after the date of issuance of the audit report which is supported in whole or in part by the audit documentation. Prior to the date of issuance of the report, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report. A complete and final set of audit documentation should be assembled for retention as of a date no more than 45 days after the report release date (documentation completion date).</p> <p>(b) Except as provided in subsection (c), in addition to any other documentation required by professional standards, any changes in audit documentation shall provide the identity of the person(s) making the change, and identity of any person(s) approving the change, the date of the change, and the reason for the change if the reason is other than assembling of pre-existing documents. The documentation which is changed shall contain sufficient detail to enable a reviewer with relevant knowledge and experience, having no previous connection with the engagement, to understand the</p>	<p>The auditor should complete the assembly of the final audit file on a timely basis, but within 60 days following the report release date (documentation completion date).</p> <p>At anytime prior to the documentation completion date, the auditor may make changes to the audit documentation to:</p> <ul style="list-style-type: none"> (a) Complete the documentation and assembly of audit evidence that the auditor has obtained, discussed and agreed with relevant members of the audit team prior to the date of the auditor's report; (b) Perform routine file-assembling procedures such as deleting or discarding superceded documentation and sorting, collating, and cross-referencing final working papers; (c) Sign off on file completion checklists prior to completing and archiving the audit file; and (d) Add information received after the date of the auditor's report, for example an original confirmation that was previously faxed. <p>The report release date should be</p>	<p>Prior to the report release date, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report. A complete and final set of audit documentation should be assembled for retention as of a date no more than 45 days after the report release date (documentation completion date).</p> <p>If a report is not issued in connection with an engagement, then the documentation completion date should not be more than 45 days from the date that fieldwork was substantially completed, if the auditor was unable to complete the engagement, then the documentation completion date should not be more than 45 days from the date the engagement ceased.</p> <p>Circumstances may require additions to audit documentation after the report release date. Audit documentation must not be deleted or discarded after the documentation completion date, however, information may be added. Any documentation added must indicate the date the information was added, the name of</p>

Summary of Audit Documentation Requirements

Existing Sec. 68.4 – Changes in Audit Documentation After Issuance of the Report	CalCPA's Proposal	AICPA Statement on Auditing Standards No. 103	PCAOB Auditing Standard No. 3
<p>nature, timing, reason for, and extent of the change.</p> <p>(c) During a 60-day period after the date of issuance of the audit report, documents may be added to the file for assemblage and documentation of work previously performed. Nothing in this subsection authorizes the deferral of audit procedures required to be performed prior to the date of issuance of the report.</p>	<p><u>unable to complete the engagement, then the documentation completion date should not be more than 45 days from the date the engagement ceased.</u></p> <p>(b) <u>Circumstances may require documentation after the date of issuance of the report. Audit documentation must not be deleted or discarded after the documentation completion date, however, information may be added.</u> <u>Except as provided in subsection (e), in addition to any other documentation required by professional standards, any changes in audit documentation added must indicate the date the information was added, the name of the person who prepared the additional documentation, shall provide the identity of the person(s) making the change, and the identity of any person(s) approving the change addition, the date of the change, and the reason for adding it if the change if the</u></p>	<p>recorded in the audit documentation.</p> <p>After the documentation completion date, the auditor must not delete or discard audit documentation before the end of the specified retention period. When the auditor finds it necessary to make an addition (including amendments) to audit documentation after the documentation completion date, the auditor should document the addition.</p>	<p>the person who prepared the additional documentation, and the reason for adding it.</p>

Summary of Audit Documentation Requirements

Existing Sec. 68.4 – Changes in Audit Documentation After Issuance of the Report	CaICPA's Proposal	AICPA Statement on Auditing Standards No. 103	PCAOB Auditing Standard No. 3
	<p>reason is other than assembling of pre-existing documents. The documentation which is changed <u>added</u> shall contain sufficient detail to enable a reviewer with relevant knowledge and experience, having no previous connection with the engagement, to understand the nature, timing, reason for, and extent of the change <u>addition</u>.</p> <p>(c) During a 60-day period after the date of issuance of the audit report, documents may be added to the file for assembly and documentation of work previously performed. Nothing in this subsection authorizes the deferral of audit procedures required to be performed prior to the date of issuance of the report.</p>		

Note:

SAS No. 103 & PCAOB No. 3 are materially the same except for duration of window period between report release date and documentation completion date. Thereafter only additions allowed but must be clearly documented.

Sec. 68.4 allows changes (including deletions) after report release date only if clearly documented.